

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

January 11, 1999

Conoco, Inc.

10 Desta Drive - Suite 100W Midland, Texas 79705-5400

Attention: Kay Maddox

DECEIVED

JAN 2 0 1999

Administrative Order NSL-230-A

Dear Ms. Maddox:

Reference is made to your application dated December 17, 1998, which was received by the Division on December 22, 1998, for a non-standard Basin-Fruitland coal gas well location for Conoco, Inc.'s existing Lackey "B-LS" Well No. 15 (API No. 30-045-07238), located 330 feet from the North line and 1715 feet from the East line (Unit B) of Section 29, Township 28 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Lackey "B-LS" Well No. 15 was initially drilled in 1961 by El Paso Natural Gas Company and completed as an initial well in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSL-250, dated April 28, 1961) within a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 29.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recomplete up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is also considered to be unorthodox, pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended. Further, the N/2 of Section 29 is also to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules, the above-described unorthodox coal gas well location for the Lackey "B-LS" Well No. 15 is hereby approved.

Division Administrative Order NSL-230 shall be placed in abeyance until further notice.

Sincerely.

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: NSL-230



Mid-Continent Region
Exploration/Production
December 17, 1998

Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 Pacheco Santa Fe, New Mexico 87504

RE: Application for Non-standard Coal Location Lackey B LS #15 API 30-045-07238 Section 29, T-28-N, R-9-W, B 330' FNL & 1715' FEL San Juan County, New Mexico DECEIVED

DEC 2 1 1998

OIL CON. DIV.
DIST. 3

Dear Mr. Stogner,

Lackey B LS #15 is located in Section 29, T-28-N, R-9-W, San Juan County, NM. This well is only 330' FNL instead of the required 790'.

In order to prevent economic waste by allowing access to Basin Fruitland Coal reserves in an existing wellbore, Conoco respectfully requests that the 330' FNL non-standard location be approved for completion in the Basin Fruitland Coal Pool.

The offset operator plat shows that Conoco is the offset operator to the north and Burlington Resources is the offset operator to the south. The encroachment of the lease line is towards the north which is Conoco's. Please find enclosed evidence that Burlington has been notified of this application.

A non-standard location order is requested based on the reasons given in the preceding paragraphs. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox

Regulatory Agent / Conoco, Inc.

KM/

Cc: Oil Conservation Division - Aztec

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994 instructions on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM 87410 District IV PO Box 2088, Santa Fe. NM 87504-2088

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	2 Pool Code	3 Pool Name	
30-045-07238	71629	Basin Fruitland Coal	
4 Property Code	5 Property Nam		
22395	Lackey B LS	#15	
7 OGRID No.	8 Operator Na	ime 9 Elevation	
005073	Conoco Inc., 10 Desta Drive, Ste. 100W, I	Midland, TX 79705-4500	

10 Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County В 29 28N 9W 330' North 1715' East San Juan 11 Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West iine County 12 Dedicated Acres 13 Joint or Infll 14 Consolidation Code 15 Order No. 320

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

OR A NON-S	TANDARD UNIT HAS B	BEEN APPROVED B	Y THE DIVISION
	330,↑	1715'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
			Signature Kay Maddox Printed Name
***************	*************		Regulatory Agent Title December 10, 1998 Date
		eiven	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey
	<u>୍</u> ଜ୍ୟା, ଓଲ୍	2 1 1998 W	Signature and Seal of Professional Surveyor.
			Cartificate Number

R 9 W

BURLINGTON

CONOCO

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NOTES		(conoco) AIDI AND		
	DATE: 12/16/98	MIDLAND		
	DRAWN BY: GLG	APPLICATION FOR NON LOCATION - FRUITLA	-STANDARD IND COAL	
	CHECKED BY:	Lackey B LS No. 15, Sec. 29, T28N, R9W San Juan County, New Mexico		
	APPROVED BY:	API COMMINE	DRAWING	
	SCALE: 1" = 2640"	30 \ 045 \ 07238	LACK_15	
	STATE PLANE COORDINATES REFERRED TO NAD27 — N.M. WEST STATE PLANE COORDINATES ZONE — 3003	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		

Z 137 529 964 US Postal Service

	Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse) Sento DULLINGTON POSSURE				
	FOR STATE AND STATE COME NM 8749				
1800, April 1995	Postage	\$			
	Certified Fee				
	Special Delivery Fee				
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	Return Receipt Showing to Whom, Date, & Addressee's Address				
	TOTAL Postage & Fees	\$			
PS Form 3800	Postmark or Date				